

* * § 362 INFORMATION SHEET * *

DOUBLE JUMP, INC.; DC SOLAR SOLUTIONS, INC. 19-50102-btb (Lead); 19-50130-btb

DEBTOR
TRANS LEASE, INC.
MOVANTBK-
CHAPTER: 11

MOTION #:

Certification of Attempt to Resolve the Matter Without Court Action:*Moving counsel hereby certifies that pursuant to the requirements of LR 4001(a)(2), an attempt has been made to resolve the matter without court action, but movant has been unable to do so.*

Date: 03/08/19

Signature: /s/ Matthew L. Johnson

Attorney for Movant

PROPERTY INVOLVED IN THIS MOTION: 2016 Outlaw Prevost H3-45 VIP RV

NOTICE SERVED ON: Debtor(s) ; Debtor's counsel ; Trustee ;

DATE OF SERVICE: 03/08/19

MOVING PARTY'S CONTENTIONS:

The EXTENT and PRIORITY of LIENS:

1st \$1,170,395.00

2nd _____

3rd _____

4th _____

Other: _____

Total Encumbrances: \$1,170,395.00

APPRAISAL of OPINION as to VALUE:

\$700,000.00--\$800,000.00

DEBTOR'S CONTENTIONS:

The EXTENT and PRIORITY of LIENS:

1st \$1,170,395.00

2nd _____

3rd _____

4th _____

Other: _____

Total Encumbrances: \$1,170,395.00

APPRAISAL of OPINION as to VALUE:

TERMS of MOVANT'S CONTRACT
with the DEBTOR(S)::

Amount of Note: \$1,170,395.00

Interest Rate: 6.35% per annum

Duration: 60 months

Payment per Month: \$22,850.18

Date of Default: January 5, 2019

Amount in Arrears: \$71,978.06

Date of Notice of Default: January 5, 2019

SPECIAL CIRCUMSTANCES:

Collateral currently in Movant's possession.

SUBMITTED BY: Matthew L. Johnson
Attorney for MovantDEBTOR'S OFFER of "ADEQUATE
PROTECTION"for MOVANT :

.

SPECIAL CIRCUMSTANCES:

SUBMITTED BY: _____
SIGNATURE: _____

1 Matthew L. Johnson (6004)
 2 Russell G. Gubler (10889)
 3 Ashveen S. Dhillon (14189)
 4 JOHNSON & GUBLER, P.C.
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Attorneys for Trans Lease, Inc.

7 **UNITED STATES BANKRUPTCY COURT**

8 **DISTRICT OF NEVADA**

9 In re:

10 DOUBLE JUMP, INC.

11 Debtor.

12 Affects:

- 13 Affects ALL Debtors
- 14 Affects Double Jump, Inc.
- 15 Affects Dora Dog Properties, LLC
- 16 Affects Dog Blue Properties, LLC
- 17 Affects Brandy Boy Properties, LLC
- 18 Affects 475 Channel Road, LLC
- 19 Affects Park Road, LLC
- Affects 140 Mason Circle, LLC
- Affects DC Solar Solutions, Inc.
- Affects DC Solar Distribution, Inc.
- Affects DC Solar Freedom, Inc.

Case No. BK-19-50102-btb (Lead Case)

Jointly Administered with:

19-50103-btb	Dora Dog Properties, LLC
19-50104-btb	Dog Blue Properties, LLC
19-50105-btb	Brandy Boy Properties, LLC
19-50106-btb	475 Channel Road, LLC
19-50108-btb	Park Road, LLC
19-50109-btb	140 Mason Circle, LLC
19-50130-btb	DC Solar Solutions, Inc.
19-50131-btb	DC Solar Distribution, Inc.
19-50135-btb	DC Solar Freedom, Inc.

20 **TRANS LEASE INC.'S MOTION FOR RELIEF**
 21 **FROM AUTOMATIC STAY**

22 **Hearing Date:** April 16, 2019

23 **Hearing Time:** 10:00 AM

24 **Location:** 300 Booth Street, Reno,
 25 NV 89509, Courtroom #2

26 Creditor, Trans Lease, Inc., (hereinafter "Trans Lease" and/or "Creditor") by and through its
 attorneys at the law firm of Johnson & Gubler, P.C., hereby moves the Court for an order permitting

relief from the automatic stay under 11 U.S.C. §362(d)(1) and §362(d)(2) and Bankruptcy Rule 4001 to allow it to proceed with a sale of a 2016 Outlaw Prevost H3-45 VIP RV (hereinafter “Motor Home” and/or “Collateral”), which constitutes collateral under a Loan and Security Agreement executed between Debtor/ DC Solar Solutions, Inc., (hereinafter “Debtor”) as Borrower and Creditor as the Secured Party. In the event that the Court authorizes the sale of the Collateral and the sales proceeds are deficient, Creditor intends to file a Proof of Claim in this matter for any amount of deficiency.

This Motion is made and based upon the *Declaration of Cary Corcillo In Support of Trans Lease Inc. 's Motion for Relief from Automatic Stay*, attached hereto as **Exhibit 1**, the following Points and Authorities, the pleadings and papers on file herein, and any and all oral argument as the Court may entertain at the time of hearing on this Motion.

DATED this 8th day of March, 2019.

JOHNSON & GUBLER, P.C.
/s/ Matthew L. Johnson
Matthew L. Johnson (6004)
Russell G. Gubler (10889)
Ashveen S. Dhillon (14189)
Lakes Business Park
8831 West Sahara Avenue
Las Vegas, Nevada 89117
Attorneys for Trans Lease, Inc.

MEMORANDUM OF POINTS AND AUTHORITIES

A. FACTUAL STATEMENT

1. On or about December 28, 2016, Debtor as Borrower and Creditor as the Secured party executed a Loan and Security Agreement (hereinafter “Agreement”) for Debtor’s purchase of a 2016 Outlaw Prevost H3-45 VIP RV (Motor Home). *See Loan and Security Agreement, attached hereto as Exhibit 2; see Exhibit 1, ¶ 3.*

- 1 2. The Agreement contains the following pertinent terms:
 - 2 a. Debtor will pay \$1,170,395.00 to the order of Creditor together with interest on the
3 unpaid principal balance from time to time outstanding, payable monthly at the rate of
4 6.35% per annum. **Exhibit 2**, p. 1, ¶ 1(a); *see Exhibit 1*, ¶ 4(a).
 - 5 b. The Loan is payable in sixty (60) consecutive monthly payments of principal and
6 interest in the amount of \$22,850.18, with the first such installment payable February
7 5, 2017 until January 5, 2022. **Exhibit 2**, ¶ 1(b); **Exhibit 1**, ¶ 4(b).
 - 8 c. If any installment is more than ten (10) days late, Borrower agrees to pay a late charge
9 of 5% of such payment. **Exhibit 2**, ¶ 1(b); **Exhibit 1**, ¶ 4(c).
 - 10 d. The Agreement granted Creditor a security interest in the Motor Home as collateral.
11 **Exhibit 2**, ¶ 2; **Exhibit 1**, ¶ 4(d).
 - 12 e. Debtor will retain possession of the Collateral and not sell, exchange, assign, loan,
13 deliver, lease, mortgage, or otherwise dispose of the Collateral. **Exhibit 2**, p. 2, ¶ 4(c);
14 **Exhibit 1**, ¶ 4(e).
- 15 3. On information and belief, in or about June 2018, Debtor brought the Collateral to Creditor
16 for the purpose of making small repairs to the Collateral's exterior and interior as well as for
17 minor maintenance and warranty work. *See Exhibit 1*, ¶ 5.
- 18 4. On information and belief, in or about July 2018, Creditor contacted Debtor to notify Debtor
19 that Debtor's requested repairs and maintenance of the Collateral had been completed and that
20 the Collateral was ready for Debtor's retrieval. Debtor has failed to retrieve the Collateral.
21 As a result, the Collateral has been in Creditor's possession since that time. *Id.*, ¶ 6.
- 22 5. Further, since January 5, 2019, the Debtor has failed to pay its monthly payments to Creditor,
23 as is required under the parties' Agreement. Currently, Debtor owes a total amount of
24 \$71,978.06, which includes the monthly payment rate of \$22,850.18 for January 2019,
25 February 2019, and March 2019 and late fees in the amount of \$2,285.01 for failing to pay the

1 monthly installment payment for January and February 2019, as prescribed under the
2 Agreement. *Id.*, ¶ 7.

3 6. Borrower has defaulted on the Loan and Security Agreement by failing to make the payment
4 due on January 5, 2019, February 5, 2019, and March 5, 2019. **Exhibit 2**, p. 3, ¶ 6; **Exhibit 1**,
5 ¶ 8.

6 7. As of February 5, 2019, the entire remaining balance for the Motor Home is \$801,848.52. *See*
7 *Payoff Quote, attached hereto as Exhibit 3; Exhibit 1*, ¶ 9.

8 8. Creditor has attempted to resolve this matter pursuant to LR 4001. On or about February 22,
9 2019 and thereafter, counsel for Creditor, Matthew L. Johnson, Esq., at the law firm Johnson
10 & Gubler, P.C., and counsel for Debtor, Tracy M. O'Steen, communicated in attempts to
11 resolve this matter. However, Ms. O'Steen indicated to Mr. Johnson that her law firm had a
12 current involvement with Creditor. Therefore, she informed Mr. Johnson that the law firm of
13 Skadden, Arps, Slate, Meagher & Flom LLP would be handling Debtor's matters in this case.

14 9. On or about February 27, 2019, Mr. Johnson contacted Van C. Durrer II, Esq. at the law firm
15 of Skadden in attempts to resolve this issue. Mr. Durrer informed Mr. Johnson that the
16 Federal Bureau of Investigation had seized many of the Debtor's vehicles as well as Debtor's
17 funds from all of its bank accounts. Mr. Durrer was not certain whether the Motor Home was
18 on the Department of Justice's list of property to be seized. In any case, Mr. Durrer stated
19 that Debtor likely did not intend to pay for the Motor Home as it was obligated to under the
20 parties' Agreement because it did not have the funds to do so due to the FBI's seizure. *See*
21 *News Article relating to FBI Seizure, attached hereto as Exhibit 4.*

22 10. Based on information obtained by Creditor, the current estimated wholesale value of the
23 Motor Home is approximately \$700,000.00 and the estimated retail value of the Motor Home
24 is approximately \$800,000.00. *See Exhibit 1*; ¶ 10. This particular Motor Home is no longer
25 being manufactured. *Id.*

B. LEGAL ARGUMENT

1. *Legal standard.*

11 U.S.C. § 362(d) provides in part:

(d) On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay –

- (1) for cause, including lack of adequate protection of an interest in property of such party in interest;
- (2) with respect to a stay of an act against property under subsection (a) of this section, if –
 - (A) the debtor does not have an equity in such property; and
 - (B) such property is not necessary to an effective reorganization [...]

a. 11 U.S.C. § 362(d)(1)

Pursuant to 11 U.S.C. § 362(d)(1), a party-in-interest may be granted relief from the automatic stay for cause. The term "cause" is not defined in the Bankruptcy Code and must be determined on a case by case basis. *Christianson v. Tucson Estates, Inc. (In re Tucson Estates, Inc.)*, 912 F.2d 1162, 1166 (9th Cir. 1990) (citations omitted); see also *In re Delaney-Morin*, 304 B.R. 365, 369 (9th Cir. B.A.P. 2003). The Bankruptcy Code specifically identifies lack of adequate protection as cause for relief from the automatic stay, and the Debtor has the burden to prove that the movant's interest in the property at issue is adequately protected. *Sun Valley Ranches, Inc. v. Equitable Life Assurance Society of the United States (In re Sun Valley Ranches, Inc.)*, 823 F.2d 1373, 1375 (9th Cir. 1987) (citations omitted). In fact, regardless of the type of "cause" asserted by the moving party, the debtor has the burden of showing that there is no such "cause" to terminate the automatic stay. *In re Ellis*, 60 B.R. 432, 435 (9th Cir. B.A.P. 1985).

b. *11 U.S.C. § 362(d)(2)*

Pursuant to 11 U.S.C. § 362(d)(2), a party in interest may be granted relief from the automatic stay if: (i) the debtor does not have equity in the property; and (ii) the property is not

1 necessary for an effective reorganization. Once the movant establishes that there is no equity
 2 in the collateral "it is the burden of the Debtor to establish that the collateral at issue is
 3 'necessary to an effective reorganization.'" *United Savings Assoc. of Texas v. Timbers of*
 4 *Inwood Forest Associates, Ltd.*, 44 U.S. 365, 375-376 (1988) (citation omitted). "What this
 5 requires is not merely a showing that if there is conceivably to be an effective reorganization,
 6 this property will be needed for it; but that the property is essential for an effective
 7 reorganization that is in prospect." *Id.* (emphasis added). A debtor's equity has been defined as
 8 the value of the property above the total liens on the property. *Stewart v. Gurley*, 745 F.2d
 9 1194, 1195-96 (9th Cir. 1984).

11 **2. *Relief from the automatic stay is warranted because Creditor lacks adequate***
 12 ***protection under Section 362(d)(1).***

13 Cause exists under Section 362(d)(1) for relief from the automatic stay that would allow
 14 Creditor to sell the Motor Home to another buyer. Debtor's counsel has already indicated that
 15 because most, if not all, of Debtor's funds have been seized by the FBI, thereby rendering Debtor
 16 incapable of meeting its payment obligations under the parties' Agreement. Further, Debtor has
 17 failed to take possession of the Motor Home after Creditor made Debtor's requested repairs to the
 18 Motor Home. Due to the automatic stay, Creditor is unable to sell the Motor Home to ensure that it
 19 can recover at least some of value that Creditor cannot obtain from Debtor. Meanwhile, the Motor
 20 Home, as a 2016 model, is depreciating in value.

22 Therefore, cause exists under Section 362(d)(1) because the Creditor lacks adequate
 23 protection, thereby warranting relief from the automatic stay for purposes of selling the Motor Home
 24 to a new buyer.

1 3. *Relief from the automatic stay is warranted because Debtor lacks equity in the*
2 *Collateral and the Collateral is not necessary for effective reorganization.*

3 There is no equity in the Collateral. The Motor Home has depreciated in value since the date
4 of Debtor's purchase, at least partially due to the fact that this particular Motor Home is no longer
5 manufactured and because the Motor Home is a 2016 model. Consequently, on information and
6 belief, the Motor Home's wholesale value is estimated at approximately \$700,000.00 and the retail
7 value is estimated at approximately \$800,000.00. Hence, considering that Debtor purchased the
8 Motor Home for \$1,170,395.00, as evidenced by the Loan and Security Agreement, and the Debtor
9 currently owes \$801,848.52 as of February 5, 2019, no equity exists in the Collateral.

10 Further, the Collateral is not necessary to Debtor's reorganization. Debtor's counsel
11 indicated to Creditor's counsel that Debtor did not intend to pay for the Collateral and has left the
12 Collateral in Creditor's possession since in or about July 2018, despite being notified by Creditor
13 that the Collateral had been repaired and ready for Debtor's retrieval. In any case, in light of the
14 FBI raids of Debtor's funds and essential business documents, it is highly unlikely that a plan for
15 reorganization is feasible under these circumstances. Therefore, the Collateral is not necessary to
16 Debtor's reorganization because Debtor has voluntarily left the Collateral in Creditor's possession,
17 and has essentially abandoned it, and because Debtor is unlikely to resume business due to the FBI
18 raids.

19 Therefore, Creditor is warranted a relief from the automatic stay under Section 362(d)(2).

20 **C. CONCLUSION**

21 Creditor, Trans Lease, Inc., is entitled to an order permitting relief from the automatic stay
22 under 11 U.S.C. §362(d)(1) and §362(d)(2) and Bankruptcy Rule 4001 so that it may proceed with a
23 sale of a 2016 Outlaw Prevost H3-45 VIP RV (hereinafter "Motor Home" and/or "Collateral"), which

1 constitutes collateral under a Loan and Security Agreement executed between Debtor as Borrower
2 and Creditor as the Secured Party. Creditor lacks adequate protection. Further, there is no equity in
3 the Collateral and it is not essential to Debtor's reorganization. Therefore, a relief from the automatic
4 stay is warranted to allow Creditor to sell the Collateral. In the event that the Court authorizes the
5 sale of the Collateral and the sales proceeds are deficient, Creditor intends to file a Proof of Claim in
6 this matter for any amount of deficiency.

7 DATED this 8th day of March, 2019.

8
9 JOHNSON & GUBLER, P.C.
10 */s/ Matthew L. Johnson*
11 Matthew L. Johnson (6004)
12 Russell G. Gubler (10889)
13 Ashveen S. Dhillon (14189)
14 Lakes Business Park
15 8831 West Sahara Avenue
16 Las Vegas, Nevada 89117
17 *Attorneys for Trans Lease, Inc.*
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 8th day of March, 2019, a true and correct copy of the foregoing **TRANS LEASE INC.'S MOTION FOR RELIEF FROM AUTOMATIC STAY** was served via Electronic Service- Pursuant to Administrative order 02-1 (Rev. 8-31-04) of the United States Bankruptcy Court for the District of Nevada, the above-referenced document was electronically filed on the date noted above and served through the Notice of Electronic Filing automatically generated by the Court to the parties listed on the attached electronic Mail Notice List.

/s/ Annabelle M. Nudo

An Employee of JOHNSON & GUBLER, P.C.